

which relief from the tax liability has not occurred, and (c) such articles on which the tax has been determined, or with respect to which relief from the tax liability has occurred, which have been returned to the coverage of a bond.
[T.D. 6871 (31 F.R. 32) eff. 1-1-66]

Internal revenue officer. An officer or employee of the Internal Revenue Service duly authorized to perform any function relating to the administration or enforcement of this part.

I.R.C. The Internal Revenue Code of 1954, as amended.

Large cigarettes. Cigarettes weighing more than three pounds per thousand.

Large cigars. Cigars weighing more than three pounds per thousand.

Manufacturer of tobacco products. Any person who manufactures cigars or cigarettes, except that such term shall not include (a) a person who produces cigars or cigarettes solely for his own personal consumption or use; or (b) a proprietor of a customs bonded manufacturing warehouse with respect to the operation of such warehouse.

[T.D. 6871 (31 F.R. 32) eff. 1-1-66]

Package. The container in which cigars or cigarettes are put up by the manufacturer and offered for sale or delivery to the consumer.

[T.D. 6871 (31 F.R. 32) eff. 1-1-66]

Permit number. The combination of (1) the letters indicating the kind of permit, (2) the identifying number, and (3) the name or abbreviation of the State (or the District of Columbia) in which the factory is located, as assigned to the permit by the assistant regional commissioner; for example, "TP-999-Utah".

[T.D. 6840 (30 F.R. 9310) eff. 9-1-65]

Person. An individual, partnership, association, company, corporation, estate, or trust.

Region. An internal revenue region.

Regional commissioner. A regional commissioner of internal revenue.

Removal or remove. The removal of cigars or cigarettes from the factory or release from customs custody, including the smuggling or other unlawful importation of such articles into the United States.

[T.D. 6871 (31 F.R. 32) eff. 1-1-66]

Service center director. A director of an internal revenue service center.

[T.D. 7055 (35 F.R. 13514) eff. 10-1-70]

Small cigarettes. Cigarettes weighing not more than three pounds per thousand.

Small cigars. Cigars weighing not more than three pounds per thousand.

This chapter. Chapter I, Title 26, Code of Federal Regulations

Tobacco products. Cigars and cigarettes. The term does not include smoking tobacco, chewing tobacco, or snuff.

[T.D. 6871 (31 F.R. 32) eff. 1-1-66]

U.S.C. The United States Code.

Subpart C—Taxes

§ 270.21 Cigar tax rates.

On cigars, manufactured in or imported into the United States, the following taxes are imposed by law:

(a) Small cigars. 75 cents per thousand.

(b) Large cigars. (1) If removed to retail at not more than 2½ cents each, \$2.50 per thousand;

(2) If removed to retail at more than 2½ cents each and not more than 4 cents each, \$3 per thousand;

(3) If removed to retail at more than 4 cents each and not more than 6 cents each, \$4 per thousand;

(4) If removed to retail at more than 6 cents each and not more than 8 cents each, \$7 per thousand;

(5) If removed to retail at more than 8 cents each and not more than 15 cents each, \$10 per thousand;

(6) If removed to retail at more than 15 cents each and not more than 20 cents each, \$15 per thousand; and

(7) If removed to retail at more than 20 cents each, \$20 per thousand.

Cigars not exempt from tax under Chapter 52, I.R.C., and the provisions of this part which are removed but not intended for sale shall be taxed at the same rate as similar cigars removed for sale.

(72 Stat. 1414; 26 U.S.C. 5701)

§ 270.22 Classification of large cigars.

Large cigars are divided into seven classes, for tax purposes, corresponding with the rates of tax imposed by section 5701(a)(2), I.R.C., and based on the retail price intended by the manufacturer for such cigars. The classes are designated, from the lowest to the highest rate of tax, as Class A, Class B, Class C, Class D, Class E, Class F, and Class G, respectively. In establishing the retail price, for tax purposes, regard shall be had to the ordinary retail price of a single cigar in its principal market, exclusive of any State or local taxes imposed on cigars as a commodity. When a State or local tax (or combination thereof) includes a fractional cent, it is rounded to the next higher full cent in determining the exclusion unless this would result in a lower Federal tax than would be

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